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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Ethiopia and Eritrea

Financial performance report for the period from 1 July 2002 to 30 June 2003 and proposed budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Mission in Ethiopia and Eritrea

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$220,830,200
Expenditure for 2002/03	$209,619,100
Appropriation for 2003/04	$188,400,000
Proposal submitted by the Secretary-General for 2004/05	$201,460,800
Recommendation of the Advisory Committee for 2004/05	$198,331,600

I. Introduction

1. **The recommendations of the Advisory Committee in paragraphs 29 and 37 below would entail a reduction of $3,129,200 in the proposed budget for the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 1 July 2004 to 30 June 2005 (see A/58/658). The Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.**

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2. **The Advisory Committee's general report on administrative and budgetary aspects of peacekeeping operations contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below the Committee deals with resources and other items that relate specifically to UNMEE.**

3. The documents used by the Advisory Committee in its consideration of the financing of UNMEE are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2002 to 30 June 2003

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/250 B of 27 June 2002, appropriated to the Special Account for UNMEE an amount of $230,845,300 for the period from 1 July 2002 to 30 June 2003, inclusive of $220,830,200 for the maintenance of the Mission, $8,943,600 for the support account for peacekeeping operations and $1,071,500 for the United Nations Logistics Base at Brindisi, Italy. Expenditure for the period totalled $209,619,100 gross ($205,608,800 net). The resulting unencumbered balance of $11,211,100 gross ($11,206,000 net) represents, in gross terms, 5.1 per cent of the appropriation.

5. The unutilized balance was attributable primarily to lower-than-budgeted rotation costs for military observers and contingent personnel, the placement of international and national staff at lower levels than those of the posts approved, lower-than-budgeted consumption of fuel and the use of Mission air assets for medical evacuation and repatriation rather than air ambulance services. These elements were offset in part by additional requirements under facilities and infrastructure for payments made to troop-contributing countries for accommodation and tentage under self-sustainment arrangements, pending the construction of United Nations accommodation units, and under information technology.

6. The Advisory Committee notes from section III.B of the performance report (A/58/633) that a total of $13,294,000 is indicated for other income and adjustments for the period, comprising $4,592,000 in interest income, $1,091,000 for other/miscellaneous income and $7,686,600 in savings on or cancellation of prior-period obligations, offset by a reduction of $75,000 for prior-period adjustments. Upon request for an explanation of the figure of $7,686,600 for savings on cancellation of prior-period obligations, the Committee was provided with the following breakdown:

Savings on or cancellation of prior-period obligations for the period from 1 July 2002 to 30 June 2003

Category	*Amount (United States dollars)*
I. Military and police personnel	
Military observers	199 509
Military contingent personnel	972 168
II. Civilian personnel	1 160 989
III. Operational costs	
Official travel	42 856
Facilities and infrastructure	751 432
Ground transportation	427 758
Air transportation	2 841 084
Communications	413 491
Other supplies, services and equipment	877 374
Total	**7 686 661**

The Committee reiterates the request it made in its report of 8 April 2003 that future performance reports include an explanation of such adjustments (see A/57/772/Add.8, para. 6).

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period 1 July 2004 to 30 June 2005 in the paragraphs below.

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 29 February 2004, a total of $723,216,875 had been assessed on Member States in respect of UNMEE since its inception. Payments received as at the same date amounted to $649,703,442, leaving an outstanding balance of $73,513,433. As at 29 February 2004, the cash position of the Mission was $52.8 million, and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to $23,130,000.

9. The Advisory Committee was informed that troop cost reimbursement up to 31 October 2003 totalled $144,587,065, while the amount owed for the period from 1 November 2003 to 29 February 2004 was $17,483,886. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $74,300,987 had been reimbursed and the estimated amount owed was $54,964,621, while unliquidated obligations for the period up to 30 June 2004 totalled $48,447,920. In respect of death and disability compensation, $168,000 had been paid as at 29 February 2004 for 11 claims, 2 claims were pending and unliquidated obligations amounted to $3,059,000.

10. The Advisory Committee was informed that, as at 29 February 2004, the incumbency for UNMEE for the period from 1 July 2003 to 30 June 2004 was as follows:

	Authorized[a]	*Encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military observers	220	214	2.7
Military contingent personnel	3,980	3,818	4.1
International staff	256	249	2.7
National staff	273	252	7.7
United Nations Volunteers	82	77	6.1

[a] Representing the highest level of authorized strength for the period.

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex I). Expenditure for the period amounted to $163,064,100 gross ($160,160,800 net) against an apportionment of $188,400,000 gross ($184,567,500 net).

IV. Proposed budget for the period from 1 July 2004 to 30 June 2005

A. Mandate and planned results

12. **The Advisory Committee commends the Mission for the progress it has made in formulating its budget document using results-based techniques. It notes, however, that further improvements could be made in a number of areas.** The Committee had commented in its report on the proposed budget for 2003/04 that the attempt to have a uniform framework for all missions comprising three or four components had led to some anomalies in the presentation for UNMEE (see A/57/772/Add.8, para. 12). In this connection, the Committee notes that the number of components remains the same for 2004/05, but that, in accordance with its recommendation (ibid., para. 13), the contents of the components have been reorganized. In addition, the title of what was the political component has been changed to the less specific "substantive civilian" component, permitting the grouping of varied activities under one heading.

13. Upon enquiry, the Advisory Committee was informed that the Secretariat had come to the conclusion that a "proliferation" of components was not desirable, as it would make comparisons between missions difficult. **While the Committee welcomes the reorganization of elements within the components, it cautions once again that the imposition of a rigid framework comprising the same components for all missions, for ease of comparison, may prove counter-productive.**

14. **The Advisory Committee commends the Mission for its efforts to quantify outputs. However, the exercise, when carried to an extreme, can produce statements that are of little use for planning.** The Committee notes, for example,

that in A/58/658, under expected accomplishment 1.1, "Progress towards peaceful settlement of the border dispute between Ethiopia and Eritrea", one of the planned outputs is "50 letters to the host Governments on political issues; 20 notes verbales to the diplomatic community". The assignment of a quantity of letters or notes verbales to be produced appears to the Committee to be arbitrary. **The Committee encourages the Secretariat to strive to find ways to quantify activities that are meaningful and do not get into a level of detail that by its nature cannot possibly give an accurate picture of what is to be achieved.**

Special Envoy of the Secretary-General for Ethiopia and Eritrea

15. The Advisory Committee discussed with representatives of the Secretary-General the recent appointment by the Secretary-General of a Special Envoy for Ethiopia and Eritrea to help move the process of implementation of the Algiers Agreements forward. **The Committee trusts that there will be close cooperation and coordination between the Special Envoy and the Mission, that the Mission will help facilitate the work of the Special Envoy and that the resources of the Mission will be used by the Special Envoy, to the maximum extent possible, in carrying out his duties. In this connection, the Committee recalls its recommendation in its report of 27 November 2002, in which it recommended that logistical support to special political missions be provided through the Department of Peacekeeping Operations (see A/57/7/Add.17, para. 18). The Committee also recalls paragraph 2.1 (j) of the Secretary-General's bulletin on functions and organization of the Department (ST/SGB/2000/9), in which it is stated that the Department is to provide logistic and administrative support for peacekeeping operations, as well as other field offices and missions, as required.**

16. The Committee further recalls the recommendation it made in its report of 4 March 2002 that efforts should be made to ensure that the work and objectives of the various activities of advisers, envoys and offices dealing with African issues are, to the extent possible, complementary (see A/56/7/Add.8, para. 11). **The Committee enquired as to the possibility of overlap or duplication in the work of the Mission and the Special Envoy. It was informed that, as the mandate of the Special Envoy was political in nature, no duplication was foreseen.** This being the case, the Committee points out that a revision of expected accomplishment 1.1, which reads "Progress towards peaceful settlement of the border dispute between Ethiopia and Eritrea", is perhaps in order, as it would appear to infringe on the mandate of the Special Envoy.

B. Resource requirements

1. Military personnel

Category	*Approved 2003/04*[a]	*Proposed 2004/05*
Military observers	220	220
Military contingent personnel	3,980	3,980

[a] Representing highest level of authorized strength.

17. A reduction of $1,484,900, or 1.5 per cent, in comparison with the apportionment for the current period is proposed under military and police personnel for 2004/05. The variance is attributable mainly to a reduction in the provision for major equipment, which is based on signed memorandums of understanding with troop-contributing countries rather than on draft memorandums of understanding (see A/58/658, para. 8). Estimated requirements for major equipment for the 2004/05 period amount to $20,699,600 (ibid., para. 7), as compared with the estimate of $22,192,000 for the 2003/04 period (see A/57/673, para. 4). The Advisory Committee was informed that there were 14 memorandums of understanding, all of which had been signed. **The Committee welcomes this development.**

18. The Advisory Committee notes from the performance report for 2002/03 that expenditure for contingent-owned equipment for the period ending 30 June 2003 totalled $38.5 million (see A/57/633, sect. III.C). Estimated requirements for the 2004/05 period amount to $36,118,400. In connection with reimbursement for contingent-owned equipment, the Committee was provided with the following additional information:

United Nations Mission in Ethiopia and Eritrea contingent-owned equipment and self-sustainment as at 29 February 2004

(United States dollars)

Year	*Apportionment*	*Estimated amount owed*	*Payments (reimbursed)*	*Unliquidated obligations*	*Claims in accounts payable*
2000/01	15 691 600	15 691 568	15 578 793	112 775	—
2001/02	35 899 400	35 899 400	34 815 994	1 083 406	—
2002/03[a]	38 756 000	38 756 000	23 906 200	8 333 099	6 516 701
2003/04	39 260 000	38 918 640	—	38 918 640	—
Total	**129 607 600**	**129 265 608**	**74 300 987**	**48 447 920**	**6 516 701**

[a] Upon enquiry as to the reason for the discrepancy between the figure for 2002/03 in paragraph 18 above and the figures in the above table, the Advisory Committee was informed that the reimbursable portion of the expenditures for welfare was erroneously recorded under welfare in the category of other supplies, services and equipment in 2002/03. For the period 2004/05, the provision has been realigned to self-sustainment, under facilities and infrastructure.

The Committee was also given updated information on support provided to contingents by the Mission (see annex II). **The Committee requests that this information be included in future budget documents.**

19. The Advisory Committee notes that the Mission continues to experience less than full incumbency for military personnel. For 2002/03 the average monthly deployment rate for military observers was 212 out of the 220 approved, or a delayed deployment rate of 3.6 per cent. The corresponding figures for military contingent personnel are 3,885 out of 3,980 approved, or a delayed deployment rate of 2.4 per cent. Current incumbency, as shown in paragraph 10 above, is 214 military observers of the 220 approved for 2003/04 and 3,818 of the 3,980 military contingent personnel approved, for delayed deployment rates of 2.7 per cent and

4.1 per cent, respectively. The Mission has taken into account previous observations of the Committee on this matter, as well as continuing less-than-full deployment of military contingent personnel, in budgeting a 2 per cent delayed deployment factor for 2004/05. Possible savings might be expected owing to the departure of the Slovak demining contingent (see para. 23 below), for which there was no replacement as at the date of the Committee's hearings on UNMEE.

20. The Advisory Committee was informed that the estimated cost for travel of military observers for the 2004/05 period ($4,100 per round trip) takes into account performance experience for the 2001/02 and 2002/03 periods. As indicated in the performance report for 2002/03, the actual cost per rotation was $4,418, as compared with the budgeted amount of $8,200 (see A/58/633, para. 7; see also the comments of the Committee on this matter in A/57/772/Add.8, para. 20).

21. Upon enquiry, the Advisory Committee was informed that the amount of $8,224,300 for rations shown in the supplementary information provided to it consisted of the following: an amount of $7,156,504, figured on the basis of $4.94 per person for 3,969 contingent personnel (11 military staff officers in receipt of mission subsistence allowance are excluded), and an additional amount of $1,067,785 for an extreme-heat supplement, which provides for increased consumption of liquid in a hot climate ($58,637), a 14-day reserve for 4,538 international personnel at $7.12 each ($452,348), storage ($536,800) and shipping ($20,000). The Committee notes that the estimate for rations for 2004/05 has increased by $624,300 over the apportionment of $7,600,000 for 2003/04. Upon enquiry, the Committee was informed that the amount proposed for 2004/05 was based on an established contract and that the increase was related to provision for contingent personnel's entitlement to the small-unit rations supplement for which the Mission had not previously budgeted (units with fewer than 50 people are allowed a 20 per cent supplement for rations, and units with 50 to 100 people are allowed a 10 per cent supplement for rations).

Boundary Commission and demining in support of demarcation

22. The Advisory Committee notes from the report of the Secretary-General to the Security Council of 19 December 2003 that, in spite of the persistent efforts of the Boundary Commission, there has been little progress in the demarcation of the border (see S/2003/1186, paras.15-18). As indicated in the report, the delays in the process also have implications for the UNMEE mandate to assist the Boundary Commission in demining in support of demarcation in accordance with Council resolution 1430 (2002).

23. When the Security Council adjusted the mandate of UNMEE to include such demining, it did so on the basis of the Mission's capacity to conduct demining with the Slovak engineering contingent in place. That contingent is scheduled to depart in June. As a result, once agreement is reached on when and where to begin demarcation, the Secretary-General estimates that some four months of lead time will be required before the actual emplacement of pillars can begin. Upon enquiry, the Advisory Committee was informed that no replacement had as yet been found for the Slovak contingent, but that in the absence of progress in demarcation, the matter was for the moment not considered urgent.

24. Upon request, the Committee was provided with information concerning reimbursable support provided by UNMEE to the Boundary Commission (see annex III).

25. The Advisory Committee was also provided with a table detailing the personnel and estimated requirements for demining for the 2004/05 period (see annex IV).

2. Civilian personnel

Category	*Approved 2003/04*	*Proposed 2004/05*
International staff[a]	256	256
National staff[b]	273	273
United Nations Volunteers	82	82

[a] Representing highest level of authorized/proposed strength.
[b] Including national officers and national General Service staff.

Recommendations on posts

26. *Redeployment of one P-4 and one United Nations Volunteer from the Medical Services Section in the Office of the Chief Administrative Officer to a separate HIV/AIDS Policy Unit* (see A/58/658, sect. I, expected accomplishment 1.4). This redeployment demonstrates the Mission's efforts to promote HIV/AIDS awareness among peacekeeping personnel. **The Advisory Committee recommends acceptance of the proposed redeployment.**

Other observations and recommendations

27. The Advisory Committee notes from the performance report for the 2002/03 period that, as was the case in the 2001/02 period, a significant underexpenditure has been realized under international staff owing to the "placement of staff at lower levels than the approved posts" (A/58/633, para. 9). The Committee was informed that these included 23 Professional posts, as follows: of 4 approved D-1 posts, 2 are filled at the P-5 level; of 7 approved P-5 posts, 1 is filled at the P-4 level; of 32 approved P-4 posts, 4 are filled at the P-3 level and 2 at the Field Service level; and of 54 approved P-3 posts, 9 are filled at the P-2/1 level. **The Committee reiterates its view that when posts are consistently filled at lower levels and if staff members recruited at lower levels perform to the satisfaction of mission officials, the level of the higher-graded posts should be reviewed and reclassified accordingly (see A/57/772, para. 81). The Committee has commented on this issue in its general report on peacekeeping operations (A/58/759).**

28. For 2004/05, an increase of $6,381,900, or 22.5 per cent, over the apportionment for 2003/04 is proposed for civilian personnel and related costs. The increase is due primarily to the proposed conversion to the 100 series of the Staff Rules of 98 posts that are currently appointments of limited duration under the 300 series. Information provided to the Advisory Committee upon request indicated that the cost of the conversion included in the proposed budget for UNMEE amounted to $2,939,700.

29. This matter is discussed in detail in the Advisory Committee's general report on peacekeeping operations, in which it recommends that, in the light of the policy issues to be addressed, the proposal for the conversion of peacekeeping mission staff from the 300 series to the 100 series be presented in a comprehensive manner by the Secretary-General in the context of his report on human resources management policies to be submitted to the General Assembly at its fifty-ninth session. **In that same report, the Committee further recommends that action by the Secretariat on conversion from the 300 to the 100 series be deferred pending consideration by the General Assembly. Accordingly, the Committee recommends that the estimate of $30,560,000 for international staff for UNMEE be reduced by $2,939,700, to $27,620,300. However, as it indicated in its general report, the Committee has serious doubts about the accuracy of the figures provided. It requests detailed and well-justified information in the next submission on this subject.**

30. **The Advisory Committee commends the Mission for the progress it has made in lowering vacancy rates for international civilian personnel.** For the 2002/03 period, the vacancy rate for international staff was 11.7 per cent. As shown in paragraph 10 above, the current rate is 2.7 per cent.

31. Upon request for clarification concerning delegation of authority for recruitment, the Advisory Committee was informed that no additional delegation for the recruitment of international staff had been granted to UNMEE. At present, the delegation of authority for recruitment of substantive staff was limited to the United Nations Interim Administration Mission in Kosovo and the United Nations Mission of Support in East Timor.

3. Operational costs

Apportioned 2003/04	*Proposed 2004/05*
$61,049,800	$69,213,600

32. The estimated operational requirements for the period from 1 July 2004 to 30 June 2005 represent an increase of $8,163,800, or 13.4 per cent, over the apportionment for the current period. The main factors contributing to the variance are increased requirements under facilities and infrastructure, for petrol, oil and lubricants, and under ground transportation, for the replacement of 79 vehicles.

Official travel and training

33. The estimate for official travel for 2004/05, as shown in section II of the proposed budget, amounts to $1,039,500, an increase of $189,500 over the amount of $850,000 apportioned for 2003/04. The main reason for the increase is an increased provision for training-related travel "in the light of greater emphasis on the training of staff to satisfy operational needs, as well as improve vocational and managerial competencies" (A/58/658, para. 11). Upon request for an explanation of this statement, the Advisory Committee was informed that the increased emphasis on training was an effort to respond to the observation in the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809) concerning the imperative to set and adhere to a high standard of competence and integrity for both Headquarters and field personnel. **In the view of the Committee, requests for**

additional funds should be accompanied by mission-specific justifications of the requirements.

34. The Advisory Committee received supplementary information that breaks down the costs involved in training, the type of training to be undertaken, the location of the training and the number of staff to be trained, as well as output references. **However, the Committee reiterates its view that, as the training of personnel is an important component of the proposed budget, all resources requested for training should be indicated under one heading in the budget, clearly and comprehensively, without being subsumed under other miscellaneous budget lines of the proposal (see A/57/772, para. 129).**

35. The Advisory Committee notes from the additional information provided to it that the estimates provide for the training of a total of 2,185 staff during the 2004/05 financial period, at an estimated total cost of $627,600, including $403,700 for training-related travel. The Committee also notes from the additional information provided to it that much of the training is to be undertaken in the Mission area. **The Committee commends the Mission for this, as well as for its efforts to institute "train the trainer" programmes and to place emphasis on procurement training, in accordance with the Committee's recommendations (A/57/772, paras. 127-133, and A/57/772/Add.8, paras. 36-40).**

36. **The Advisory Committee notes from the additional information provided to it on actual training undertaken in 2002/03 that most of the staff trained remain with the Mission — out of a total of 739 trained, 731 remained. Nonetheless, it is the view of the Committee that as more staff become trained, the requirement for training should decrease, and with it the requirement for training-related travel, particularly in missions that are no longer growing or are in the process of downsizing.**

37. **Taking into account its comments in the paragraphs above, the Advisory Committee recommends that the amount for official travel remain at the current level of $850,000, a reduction of $189,500 from the requested amount of $1,039,500.**

Facilities and infrastructure

38. **The Advisory Committee welcomes the information, as shown in section V.A.1 of the proposed budget for 2004/05 (A/58/658), that it is expected that the handover of 100 per cent of United Nations-provided accommodation will be accomplished by January 2004.**

39. The Advisory Committee was informed that the increase under facilities and infrastructure was related primarily to increased requirements for petrol, oil and lubricants resulting from the need to rely on generators to meet electricity demands in the absence of adequate local power supplies. The estimated requirement of $2,335,500 for petrol, oil and lubricants for 2004/05 represents an increase of $1,156,500 over the apportionment of $1,179,000 for 2003/04.

40. In addition, two major construction projects are planned for the fiscal year: (a) maintenance of main supply routes used by the Mission and (b) upgrading of the security perimeter fencing in seven locations and mission-wide asphalting and fencing of helipads. The estimated requirement of $1,322,000 under construction

services for 2004/05 represents an increase of $1,107,000 over the apportionment of $215,000 for 2003/04.

41. The Advisory Committee was briefed on security measures undertaken and planned for the Mission. It was informed that a threat assessment revealed that headquarters in both Asmara and Addis Ababa were vulnerable. Accordingly, new security measures had been undertaken at UNMEE during the current period at a cost of $310,000, as follows:

(a) Installation of security film on windows of Asmara and Addis Ababa headquarters ($130,000);

(b) Placement of security barriers (dragon teeth), warning signs and traffic signs both at headquarters facilities and in the temporary security zone ($20,000);

(c) Installation of security fencing at the Finnish facility located in Asmara in order to protect UNMEE personnel and equipment ($20,000);

(d) Installation of additional security guards both at headquarters and at the residences of both Deputy Special Representatives of the Secretary-General ($140,000).

42. The Advisory Committee was provided with a breakdown of security costs included in the proposed budget for UNMEE (see annex V). In view of the security problems facing UNMEE, the Committee enquired as to the feasibility of moving the Addis Ababa headquarters back to the compound of the Economic Commission for Africa. Upon request, the Committee was provided with a cost/benefit analysis on this issue (see annex VI). The information provided is quite detailed; however, it does not take into account the fact that the Mission is nearing its completion phase. **Accordingly, the Committee requests the Department of Peacekeeping Operations, together with the Mission, to analyse the issue of relocation from security, operational and financial points of view, taking into account the fact that the Mission is nearing its completion phase, and to report thereon to the General Assembly in its next budget submission.**

43. In a related matter, the headquarters at Asmara has been assessed as particularly vulnerable, and research to identify a more security-suitable building has begun. The Advisory Committee was informed that it was unlikely that a suitable building could be found. A second option being explored is the possibility of purchasing and constructing a container village. Preliminary estimates indicate that the cost of the container compound would be about $7 million. Those costs are not included in the proposed budget, but form part of the report on security issues submitted to the General Assembly by the Secretary-General on 6 April 2004 (A/58/758). **In its report on strengthening the security of United Nations operations staff and premises, the Advisory Committee is recommending an additional appropriation of $7 million for 2004/05 in connection with the relocation of the Asmara headquarters.**

Ground transportation

44. The Advisory Committee notes that for the 2002/03 financial period, lower-than-expected consumption of petrol, oil and lubricants resulted in an unutilized balance of $1,052,600 under ground transportation. The decreased consumption was the result of the use of local transport companies rather than UNMEE assets for the

transport of goods and water, less frequent use of armoured personnel carriers and decreased movement of troops due to delays in the demarcation process.

45. The estimated requirements of $6,088,200 under this item for 2004/05 reflect an increase of $3,025,000 over the apportionment of $3,063,200 for 2003/04. The increase is attributable mainly to the proposed replacement of 79 vehicles on the basis of age, mileage and condition and to a 30 per cent increase in the cost of fuel. Fifteen of those vehicles are almost 10 years old. Upon enquiry, the Advisory Committee was informed that the Mission had received 120 vehicles from the United Nations Mission in Bosnia and Herzegovina, the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Logistics Base at Brindisi, Italy, for which freight costs amounted to $363,000, and that 39 of the vehicles to be replaced had been in service in other missions. Upon enquiry, the Committee was further informed that existing policy on the transfer of vehicles provides that only refurbished vehicles that are serviceable for three or four years are to be transferred. **The Committee is concerned that this policy may not have been adhered to, and cautions the Department of Peacekeeping Operations that the transfer of vehicles that do not have sufficient remaining service life may lead to greater costs in the long run.**

Air transportation

46. The estimate for air transportation for the period ending 30 June 2005 amounts to $21,402,900, an increase of $687,900 relative to the apportionment for the current period. The variance, as explained in paragraph 14 of the proposed budget, is due mainly to an increase in the cost of rental and operation of the fixed-wing aircraft based on new contractual arrangements, as well as to the reconfiguration of the fleet by eliminating one G-222 and adding one AN-26 aircraft. Upon request for details concerning the new contractual arrangements, the Advisory Committee was informed that the increase in the cost of air operations was reflective of an overall trend in response to the market and that, in general, when two-year-old contracts are replaced, increased costs ensue owing to market movements over the two years. The Committee was also informed that the 2004/05 estimates are based on market costs (either actual or forecast) and take into account the re-bidding for two contracts due to expire, for an MI-8 and a medium fixed-wing aircraft.

47. In its discussions with the representatives of the Secretary-General concerning the composition of the Mission's aircraft fleet, the Advisory Committee was informed that the Mission planned to replace one of its AN-26 cargo aircraft with an AN-24 passenger aircraft, and that some consideration was being given to further reconfiguration by replacing the other AN-26 as well. The Committee enquired as to whether the executive jet would still be needed in that case, as well as whether the elimination of the executive jet from the fleet would lead to savings. The Committee was informed that in the Mission's current operating environment, the provision of a passenger aircraft would not directly affect the requirement for the executive jet; however, if the parties were to reach agreement on a direct flight route between the capitals, the Mission could then assess whether there were viable options for adjusting its fleet (see para. 50 below). At that stage, it was too early to determine if savings would accrue.

48. The Advisory Committee requested information on the usage of the executive jet. It was informed that in 2002/03, the executive jet was used for 69 flights each way between Asmara and Addis Ababa by the Special Representative of the Secretary-General and/or the Force Commander, who also used the aircraft for round-trip flights between Asmara and Assab and between Addis Ababa and Axum. An additional six flights were made for casualty and medical evacuation purposes. The Committee notes from the additional information provided to it that the cost of block hours for the executive jet has increased by 65 per cent in comparison with the 2003/04 period, while the cost of extra hours has decreased by 44 per cent.

49. In its report, the Board of Auditors commented on the use of the executive jet in UNMEE and recommended that the Mission review the need for and cost-effectiveness of utilizing an executive jet as compared with a propeller aircraft and charter flights (see A/58/5 (Vol. II),[1] paras. 145-149). **The Advisory Committee has commented on this issue in its general report on peacekeeping operations, in which it requests that all missions using executive jets continue to keep under review the need for and cost-effectiveness of using such aircraft. That review should be undertaken in the context of the monitoring by the missions of the configuration of their air assets in the light of changing operational needs and the mission environment, and the use of the executive jet should be fully justified. The Committee also recommends that the Board continue to monitor the matter.**

50. The Advisory Committee notes from the report of the Secretary-General to the Security Council of 19 December 2003 that the parties' continued failure to overcome differences with regard to a direct high-altitude route for UNMEE flights between Addis Ababa and Asmara has to date resulted in additional costs totalling almost $3 million (see S/2003/1186, para. 9). The Committee was informed that the issue had been the subject of a discussion at the twenty-first and twenty-second meetings of the Military Coordination Commission, held in Nairobi on 15 December 2003 and 2 February 2004. The Committee was also informed that efforts by the Mission on this issue were ongoing and that some softening of positions had been noted, though no concrete progress had been achieved to date.

Communications and information technology

51. The Advisory Committee notes from the additional information provided to it that the write-off and disposal processes for information technology equipment are quite slow at UNMEE. **This issue should be addressed on a priority basis. In addition, the Committee requests the Department of Peacekeeping Operations to provide the Mission with guidance on giving away such equipment to outreach centres, local schools or other appropriate institutions, as is being done in UNIFIL.**

52. Upon request, the Advisory Committee was provided with the following information concerning major communications equipment purchased in 2002/03:

Equipment	*Quantity*	*Status*
Microwave link with related spares	1	Installation will be completed in a few weeks
Routers to upgrade permanent access multiple assigned links	14	Installation completed
Demand access multiple assigned, low-density chassis	15	Installation completed

V. Conclusions of the Advisory Committee

53. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 20 of the performance report (A/58/633). **The Committee recommends that the unencumbered balance of $11,211,100, as well as other income and adjustments in the amount of $13,294,000, be credited to Member States in a manner to be determined by the Assembly.**

54. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 20 of the proposed budget (A/58/658). **Taking into account its recommendations in paragraphs 29 and 37 above, the Advisory Committee recommends that the estimated budget requirement of $201,460,800 be reduced by $3,129,200. Accordingly, the Committee recommends that the Assembly appropriate an amount of $198,331,600 gross ($193,774,200 net) for the maintenance of UNMEE for the 12-month period from 1 July 2004 to 30 June 2005.**

Documentation

- Report of the Secretary-General: performance report on the budget of the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2002 to 30 June 2003 (A/58/633)
- Report of the Secretary-General on the proposed budget for the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2004 to 30 June 2005 (A/58/658)
- Report of the Advisory Committee on Administrative and Budgetary Questions on financing of the United Nations Mission in Ethiopia and Eritrea (A/57/772/Add.8 and Corr.1)
- General Assembly resolutions 56/250 B and 57/328 on the financing of the United Nations Mission in Ethiopia and Eritrea
- Progress reports of the Secretary-General on Ethiopia and Eritrea (S/2004/180 and S/2003/1186)
- Security Council resolutions 1312 (2000), 1320 (2000), 1430 (2002) and 1507 (2003)

Notes

[1] See *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 2* (A/58/2).

Annex I

Actual expenditure for the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2003 to 30 June 2004

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditure as at 29 February 2004*
Military and police personnel		
Military observers	7 257.9	5 100.2
Military contingent personnel	91 777.4	86 333.1
Civilian police	—	—
Formed police units	—	—
Subtotal	**99 035.3**	**91 433.3**
Civilian personnel		
International staff	24 282.2	18 770.4
National staff	1 257.5	674.3
United Nations Volunteers	2 775.2	1 584.2
Subtotal	**28 314.9**	**21 028.9**
Operational costs		
General temporary assistance	—	—
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	—
Official travel	850.0	640.7
Facilities and infrastructure	18 488.8	16 521.3
Ground transportation	3 063.2	2 221.8
Air transportation	20 715.0	15 091.7
Naval transportation	—	—
Communications	6 378.0	6 226.0
Information technology	1 365.8	873.3
Medical	2 824.4	2 417.8
Special equipment	1 819.6	1 744.5
Other supplies, services and equipment	5 545.0	4 864.8
Quick-impact projects	—	—
Subtotal	**61 049.8**	**50 601.9**
Gross requirements	**188 400.0**	**163 064.1**
Staff assessment income	3 832.5	2 903.3
Net requirements	**184 567.5**	**160 160.8**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**188 400.0**	**163 064.1**

Annex II

Support provided to contingents by the United Nations Mission in Ethiopia and Eritrea during 2002/03

Category	*Contingent*	*Particulars*	*Remarks*
Catering	India	Refrigerators	Seven to be deducted from reimbursement
	Jordan	Refrigerators	One to be deducted from reimbursement
	Kenya	Refrigerators	Four to be deducted from reimbursement
	Bangladesh	Refrigerators	One to be deducted from reimbursement
Resupply	Jordan	Assistance with customs clearance of resupply shipment	Actual UNMEE expenses to be deducted from reimbursement
Support for contingent-owned equipment (major equipment)	Bangladesh	Food and portable water issued for Bangladeshi demining dogs	Actual UNMEE expenses deducted from reimbursement
Support for national support element	Ireland	Food rations and potable water	To be reimbursed
	Slovakia	Food rations and potable water	To be reimbursed

Annex III

Reimbursable support provided by the United Nations Mission in Ethiopia and Eritrea to the Boundary Commission

1 December 2001 to 30 June 2003

(United States dollars)

	Amount	
Section	*1 December 2001 to 30 June 2002*	*1 July 2002 to 30 June 2003*
Air operations	306 403	552 378[a]
Transport	1 392	6 876
Movement control	-	25 089
Engineering	18 397	38 653
Electronic data-processing	12 078	21 338
Communications	793	881
Supply	17 673	30 507
Total	**356 735**	**675 722**

[a] Including amounts for fixed-wing aircraft, fuel and airport services.

Annex IV

Mine detection and mine clearing

1 July 2004 to 30 June 2005

A. Number of posts

Category	*Number*
Military observers	—
Military contingents	—
Civilian police	—
Formed police units	—
USG	—
D-2	—
P-5	1
P-4	3
P-3	7
P-2/1	—
Field service	—
General service	1
National staff	8
United Nations Volunteers	—
Total	**20**

B. Cost

(Thousands of United States dollars)

Budget line	*Amount*
Equipment	30.4
Services	2 989.0
Supplies	100.0
Total	**3 119.4**

Annex V

Information on Mission security

(Thousands of United States dollars)

Category of expenditure	*Apportionment 2003/04*	*Total estimates 2004/05*
International staff	216.0	216.0
National staff	24.9	24.9
United Nations Volunteers	144.0	144.0
Facilities and infrastructure	51.2	62.6
General supplies, services and equipment	516.3	635.7
Ground transportation	1 200.0	1 200.0
Total	**2 152.4**	**2 283.2**

Annex VI

A. Cost-benefit ratio for moving the United Nations Mission in Ethiopia and Eritrea headquarters at Addis Ababa

Estimated moving costs
(United States dollars)

Description	*Unit*	*Quantity*	*Unit cost*	*Total*	*Recurrent*	*Non-recurrent*
Land						
Site preparation				10 000.00		10 000.00
Facilities and infrastructure						
Cost of prefab buildings (21 m^2)	Each	43	4 181.00	179 783.00		179 783.00
Cost of ablutions (20')	Each	4	9 720.00	34 020.00		34 020.00
Cost of ablutions (8')	Each	1	5 200.00	5 200.00		5 200.00
Cost of storage containers	Each	4	1 200.00	4 800.00		4 800.00
Freight charges @ 15%				33 570.45		33 570.45
Engineering services						
Container foundation works	Each	43	100.00	4 300.00		4 300.00
Construction of walkways	metres	200	50.00	10 000.00		10 000.00
Erection of prefab containers	Each	43	150.00	6 450.00		6 450.00
Erection of ablutions	Each	5	100.00	450.00		450.00
Water supply and sewage works				30 000.00		30 000.00
Electrical works	Each	43	20.00	860.00		860.00
Transport workshop				20 000.00		20 000.00
Parking area	square metres	500	10.00	5 000.00		5 000.00
Drainage works	metres	200	50.00	10 000.00		10 000.00
Fencing works	metres	150	60.00	8 989.59		8 989.59
Security arrangements				20 000.00		20 000.00
Refurbishment of existing building				50 000.00		50 000.00
Communications and electronic data-processing installation works				230 103.20		230 103.20
Operational cost						
Annual janitorial services				30 000.00	30 000.00	
Annual maintenance supply services (monthly @ 5%)				134 281.80	134 281.80	
Annual rent	Month	1	2 000.00	24 000.00	24 000.00	
Total				**851 808.04**	**188 281.80**	**663 526.24**

Investments and operational costs of existing headquarters

Description	*Cost*	*Recurrent*	*Non-recurrent*
Engineering works			
Alteration and renovation works	38 098.61		38 098.61
Modification of windows	464.04		464.04
Electric door locks and modification of metal doors	2 709.63		2 709.63
Construction of fence and veranda shed	13 965.42		13 965.42
Installation of flagpole, generator house and sign board	232.02		232.02
Construction of satellite dish platform	4 718.72		4 718.72
Construction of fire escape stairs	11 091.14		11 091.14
Installation of electrical gates and other security works	13 561.02		13 561.02
Construction of transport workshop	18 488.98		18 488.98
Installation of solar protection film	659.40		659.40
Installation of anti-fragmentation film	19 453.00		19 453.00
Generator (160 KVA)	32 000.00		32 000.00
Communications works and electronic data-processing	45 000.00		45 000.00
Operational cost			
Annual janitorial services and garbage collection	26 589.33	26 589.33	
Annual maintenance supply services (monthly @ 5%)	120 000.00	120 000.00	
Annual cost for Finnish guards	237 000.00	237 000.00	
Annual rent	180 000.00	180 000.00	
Total	**764 031.30**	**563 589.33**	**200 441.97**

	ECA	*Existing*
Recurrent costs/annually	188 281.80	563 589.33
Non-recurrent costs/one-time	663 526.24	200 441.97
Total	**851 808.04**	**764 031.30**

Cost/benefit ratio for moving back to ECA compound 1.11

B. Analysis of the location of the United Nations Mission in Ethiopia and Eritrea headquarters at Addis Ababa

Background information

The UNMEE headquarters in Ethiopia was established on 1 August 2000 within the Economic Commission for Africa (ECA) compound. In the following month it was decided that a containerized office accommodation block in the back corner of the ECA compound would be built. This office block was completed by February 2001 and the UNMEE office was relocated to those premises. The two-storey office complex was made up of 37 containers and two ablution units and offered some 518 square metres of office space, including landings, corridors and common areas. This was meant as an interim measure, allowing UNMEE time to organize a more suitable office facility.

Circumstances leading to the establishment of the headquarters in a commercial building

However, due to the increase in UNMEE activities within Ethiopia and Eritrea, it soon became apparent that the premises had a number of shortcomings:

(a) The available physical office space was some 200 square metres short of the requirements of the office;

(b) There was a general lack of ambience and perceived stature as a country office;

(c) The physical location within the ECA compound was situated at the edge of the compound adjacent to an open area, which was used by the local population as a rubbish dump.

Due to those and a number of smaller issues, it was decided to seek alternative premises within Addis Ababa. The decision was supported by a visit to Ethiopia in December 2000 by the Secretary-General, who made comments to his Special Representative about the appearance of the premises and the overall impression of UNMEE that was being created by the containerized office. After this visit, the Special Representative of the Secretary-General requested that alternative premises be found that truly reflected the position and standing of UNMEE within Ethiopia. Therefore, the search started and the existing headquarters became operational as of April 2002. The installation costs at the new building amounted to approximately $655,000.

Cost/benefit analysis of moving back to the ECA compound (financial aspects)

According to estimates, the total cost of relocating the Addis Ababa office back to the ECA compound is $851,808. On the other hand, if it is decided to remain in the existing premises, the total cost is estimated at $764,031.

Conclusion

Although the analysis shows an advantage to be derived from remaining at the present premises rather than moving back to the ECA compound at this stage, UNMEE is aware that, in the long run, the Mission will incur less expense if the headquarters is moved back to ECA.

Nevertheless, UNMEE management believes that a decision of this nature should not be based solely on financial considerations. Consideration must be given to the circumstance that led to moving out of the ECA building, as mentioned above, which involves political as well as staff welfare issues. In addition, due consideration should be given to all the discussions that took place between the Special Representative of the Secretary-General and the Department of Peacekeeping Operations at the time when the subject was initially brought up. The decision was subsequently supported by the Department of Peacekeeping Operations as a result of substantial and exhaustive analysis and discussions. The Special Representative of the Secretary-General, his Deputy, the Chief Administrative Officer and senior management of the Mission believe that the existing building is suitable and that maintaining the current UNMEE office is in the interest of the Organization. Moreover, the dissatisfaction expressed by the Secretary-General regarding the selection of the site for the UNMEE office in the ECA compound should also be appropriately considered.